

Department of Pesticide Regulation

The Proposed 2006-07 Budget

January 2006

Budget Highlight

► The only major budget augmentation is to add auditors to ensure that only licensed products are sold in California and that required mill assessment fees are paid.

The Governor's Budget for fiscal year 2006-07 provides funding for the Department of Pesticide Regulation (DPR) to fulfill its mission to protect public health and the environment through the nation's most rigorous and comprehensive program to evaluate pesticides and control pesticide use. DPR's oversight responsibilities include scientific evaluation of pesticides before they are licensed for sale; residue testing of fresh produce; environmental and occupational monitoring to detect, reduce, and prevent contamination and unacceptable human exposure; licensing of pest control applicators and businesses; and enforcement to ensure pesticides are used legally. The Governor's Budget for fiscal year 2006-07 calls for funding DPR programs at \$62.1 million (all funds) and 348.9 personnel years (PYs).

Fund Source	Current Year	Budget Year	Amount of
	(Dollars in thousands)		
General Fund	0	0	0
Special Funds	\$58,035	\$59,434	+ \$1,399 (+2.4%)
Federal Funds	\$2,194	\$2,202	+ \$8 (+0.4%)
Other Funds	\$479	\$479	0 (0%)
Total: All Funds	\$60,708	\$62,115	+ \$1,407 (+2.3%)
Personnel Years	346.6	348.9	+ 2.3 (+0.7%)

The Governor's 2006-07 budget keeps the funding for pesticide regulatory programs at the 2005-06 levels except for an augmentation to the mill assessment compliance program and some baseline adjustments. The budget adjustments can be made within the existing revenues and without the need for General Funds or an increase in the mill assessment rate.

Mill Assessment/Product Compliance

Four auditors (\$425,000 and 3.8 PYs) will be added to enhance enforcement of unregistered pesticide products and the collection of mill assessment fees. Recently completed audits found that approximately 20 percent of pesticide sales were of products not legally registered in California. The use of unregistered pesticide products can pose a health and safety risk for Californians and their natural environment. In addition, the audits found some companies had not paid required mill assessment fees. Mill assessment noncompliance creates an unfair business environment as well as shortchanging the pesticide regulatory program. The proposed budget action restores cuts to the mill compliance program made three years ago. These restored positions will allow DPR to improve collection of the mandated mill assessment, increase industry compliance with statutory and regulatory requirements, enhance consumer protection, and bring equity to the marketplace.

Local Assistance to County Agricultural Commissioners

The county agricultural commissioners receive 7.6 mills to conduct pesticide use enforcement and restricted material permitting activities. The projected increase in the value of the mill assessment (\$2.055 to \$2.140 million for each mill collected) equates to a \$646,000 increase in local assistance.

Pro Rata/SWCAP

Consistent with other state agencies, DPR's costs to control agencies have increased by \$595,000.

Attorney General Charges

The Attorney General represents DPR on litigation and several enforcement matters. The rate charged by the Attorney General has increased and resulted in a budget augmentation of \$28,000.

Cal/EPA Centralization of Common Support Services

As part of Cal/EPA's centralization of common administrative services, DPR will transfer \$287,000 and 3.1 PY to Cal/EPA. These services include mail and courier operations, electronic imaging, employee transportation and parking, facilities management, employee health and wellness, reprographics, safety and security, shipping and receiving, and sustainable building operations. To optimize efficiencies, 1.6 PY were transferred in advance during the current fiscal year (effective January 1, 2006). The remaining 1.5 PY will be transferred in the 2006-07 fiscal year.

Summary of Budget Adjustments

The \$1.4 million increase in DPR's budget represents the following adjustments:

Mill assessment compliance	\$ 425,000
Local assistance to county agricultural commissioners	\$ 646,000
Pro rata/SWCAP	\$ 595,000
Increased attorney general charges	\$ 28,000
Cal/EPA consolidation	\$ -287,000

Improving Budget Accountability:***Unifying DPR's Program Budget***

When DPR was created, its program budget was artificially separated into two programmatic divisions. The budgetary separation has hampered program delivery and resource allocation, and caused unnecessary administrative complexities. Given the integrated nature of DPR programs and fund source, unifying the program budget will enhance DPR's service delivery capabilities, optimize staffing, and reduce administrative complexities. Additionally, a unified program budget will advance the implementation of the functional accounting system employed by DPR. This budget unification action will not require any additional resources and will not change the resources allocated to specific programs.

DPR uses a "function-based" approach to better manage the costs and performance of specific programs. For more information on this function-based budgeting system, go to DPR's Web site, www.cdpr.ca.gov, and click on "Performance and Accountability."